



[Return to Table of Contents](#)

Government Management

The Coordinator's Office provided information about its various functions and accomplishments.

Neighborhood Revitalization Program (NRP) information came, in part, from NRP staff.

The Finance Department provided the financial information in the Government Management section of this document. ***The State of the City*** acknowledges the help given by staff from this department.

Another major source of financial data and recommended 2001 Priorities was the ***Mayor's 2001 Recommended Budget Summary-City of Minneapolis***. The proposed budget was released in November 2000.

Data for the tax increment finance district section was reviewed and updated by Minneapolis Community Development Agency staff.

This chapter can also be found on the city's website at: www.ci.minneapolis.mn.us/planning

Management and Administration

Communications

Finance

Human Resources

Information and Technology Services

Intergovernmental Relations

Operations and Regulatory Services

Neighborhood Revitalization Program

City Revenues and Expenditures

Property Tax

Tax Increment Financing

City Debt

Debt Capacity-Total Debt

Debt Capacity-Tax Supported Debt



Management and Administration

City government in Minneapolis is experiencing great change. In response to changing customers, increased demand for public accountability, changing technology, limited resources, and competition for city services, the city must ensure excellence in the services it delivers. To do this, city government must work together as an enterprise with a shared vision, and it must have management systems that support the delivery of services to the citizens of Minneapolis. The Minneapolis City Coordinator's Office is leading the change and ensuring that changes are integrated and in alignment throughout the organization.

The role of the City Coordinator is defined by three key responsibilities:

- 1) To assist the Mayor and City Council in defining city policy and establishing priorities;
- 2) To mobilize the Charter Department Heads and Coordinator's staff to implement the Mayor's and City Council's priorities; and,
- 3) To strengthen the management systems of the city.

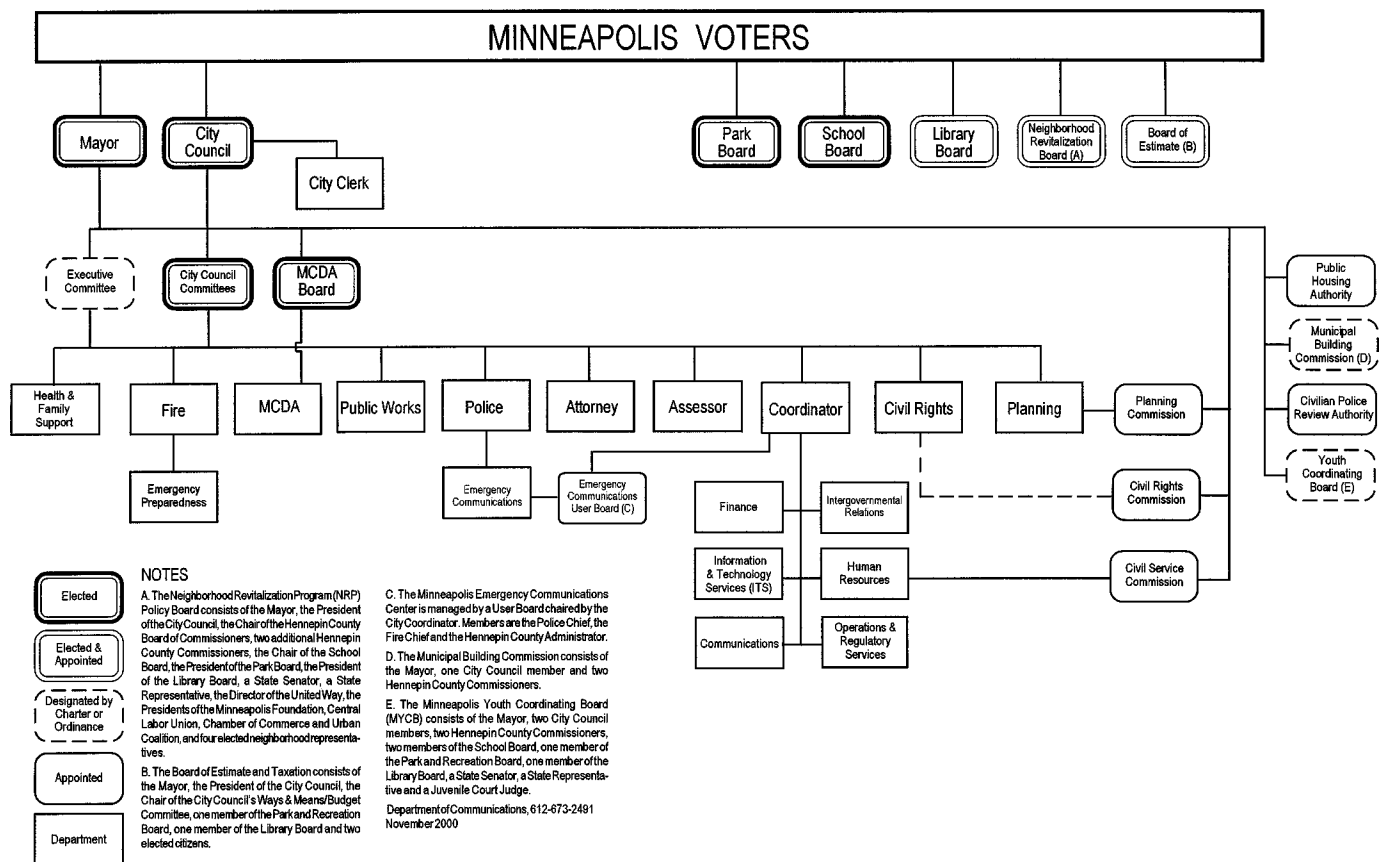
Major initiatives for each of these areas are listed below:

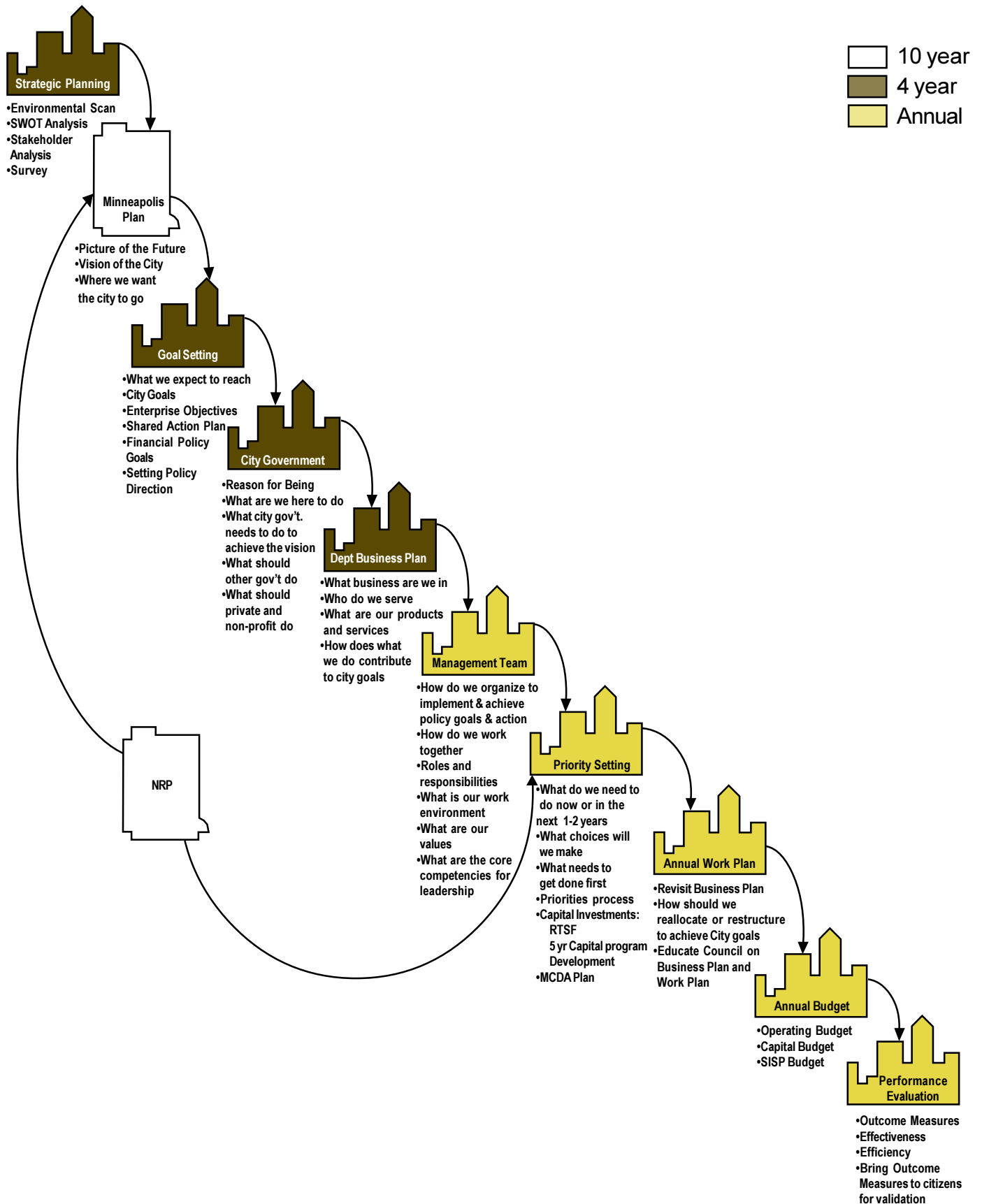
1. Assist the mayor and city council in defining city policy and establishing priorities

Core Processes

The Core Processes of Minneapolis City Government convene the Mayor and City Council to fulfill their responsibility as the policy leaders for our city. The Core Processes also provide the city Department Heads the opportunity to align the service activities and performance measures of their departments with the goals and direction set by the Mayor and Council. In 2000, the City Coordinator and Planning Director worked together to refine the Core Process components and their definition. See chart on next page.

City of Minneapolis





City Goals

The process of setting goals improves the opportunity for collaborative work and outcomes throughout the year. The goals are the foundation for setting priorities, dedicating time, and expending resources. With these goals, elected officials and appointed department heads, as well as city staff, focus on the same set of priorities and concerns.

During 2000, the Mayor and City Council considered the current challenges facing Minneapolis and reconsidered the City Goals established during the 1998 Strategic Planning Process. On the basis of their deliberations they added a goal and categorized the existing goals. The newly adopted Goals for 2001 are:

Build Community

- Increase safety and confidence in the City of Minneapolis through effective and efficient law enforcement and prosecution, and criminal justice reform.
- Strengthen the participation of all citizens, including children, in the economic and civic life of the community.
- Reduce the negative environmental impacts of the Airport while maintaining its economic benefits to the people who live, work and play in Minneapolis.

Strengthen Markets

- Increase the City's population and tax base by developing and supporting housing choices citywide through preservation of existing housing and new construction.
- Position the City in the world marketplace to grow our diverse, resilient economy.
- Create strong vital commercial corridors citywide through mixed-use development, including a variety of businesses and creative housing.
- Make downtown a great place to live, work, play and do business.

Keep the City Clean and Healthy

- Improve public transportation to get people to jobs, school, fun and other daily activities.
- Preserve, enhance and create a substantial natural and historic environment citywide.
- Strengthen our City through infrastructure investments.

Provide Strong Leadership and Management

- Provide an efficient, effective, results-oriented City government that has a clearly defined role in relationship to other levels of government.

Priorities 2001

The Priorities Process is Minneapolis' annual service planning process in which city services are measured for their contribution to the City Goals. City senior management utilizes the Priorities Process to identify opportunities for change and to address the major

challenges facing the city. In addition to working toward achieving the City Goals, the Priorities Process enhances our administrative goals of providing quality service, ensuring accountability, and continually improving how the city does business.

The purpose of the Priorities Process is to:

- Assist the Mayor and City Council in doing their job as policy leaders and to strengthen policy decision-making;
- Utilize the expertise, skills and experience of Department Heads and city staff to set priorities and to address the major challenges facing the city today and in the future;
- Redesign Minneapolis City Government to ensure that the service level fits within funding realities; and,
- Create a unified vision for city government and provide annual budget direction.

Unlike previous priorities processes, the Priorities 2001 Process focused on the identification of a limited number of **key** challenges facing the city and to designate these as the priority for 2001. The key challenges were identified by the Department Heads and reviewed by the Mayor and City Council. The Department Heads formed work teams to address each of these challenges.

Definition of Key Challenge: If this Challenge is resolved in the near future, it will have a significant, positive impact on the quality of life in Minneapolis and for city government in terms of provision of services to our customers, and financial and/or organizational capacity.

Criteria for determining a Key Challenge:

- Does the challenge impact the ability to achieve one or more of the City Goals?
- Does the challenge effect several or all departments of the city?
- Would not achieving the challenge make people confident in choosing Minneapolis as a place to live, work and play?
- Does the challenge pose a serious risk to the financial position of the city?
- Does the challenge effect all areas of the city?
- Does the challenge portend significant positive or negative consequences in the near future?

The **Key Challenges designated as a Priority for 2001** include:

- Define the role of city government – today and into the future. What services will we provide? What resources will we need? What services are provided by other levels of government? What other non-governmental institutions and organizations contribute to the effective function of this place?

- Management of stresses on the city's limited financial resources.
- To ensure a competent, diverse and motivated workforce.
- How can the city improve access to information and services using technology to help constituents conduct their municipal business?
- To mobilize the entire community to keep Minneapolis clean.
- As a community, how can we assist and advocate for underserved or disadvantaged communities including children, women, vulnerable adults, minorities, and new arrivals so that all residents can thrive and enjoy equality of opportunity.
- Even with the significant reductions in reported crime across the city, there is still a significant number of troubled households contributing to a cancer of social dysfunction within our city, which continues to challenge the very fiber of our community.

These challenges formed a basis for 2001 budget submissions by the various city departments.

Enterprise Performance Measurement

In April 1999, the Mayor and City Council officially adopted an enterprise-wide performance measurement model. This action was the result of six months of work by an interdepartmental work team focused on creating a system of performance measurement that is useful to managers, meaningful to elected officials and integrated into the city's core processes. The results of the work team's research and discussions have led to a performance measurement model with the following elements:

- Development of outcomes, efficiency and effectiveness measures;
- Alignment with core processes using objectives; and
- Definition of the roles of elected officials and department heads.

Since adoption of the Performance Measurement Model, the city's management team has worked to implement the Model. First, individual departments were asked to identify efficiency and effectiveness measures for each of their service activities. Following this exercise, the Priorities work teams developed draft objectives for each of the City Goals as well as draft outcome measures for the goals and objectives. These drafts were reviewed by the Mayor and City Council and amended to reflect their input. During 2000, the objectives and outcome measures have been refined by the Council, Mayor and city staff. The Council and Mayor adopted a Citizen Engagement Process and the goals, objectives and outcome measures were brought to six citywide meetings with citizens for their reactions and suggestions. An iterative dialogue with the people

who live and work in Minneapolis will be continued with a citywide survey, dialogue meetings, and an annual report in future years.

2. Mobilize the Charter Department Heads and Coordinator's staff to implement the Mayor and City Council priorities

Avenue of the Arts

Third Avenue South links the historic Minneapolis Riverfront with the Minneapolis Institute of Arts. Recognizing the unique opportunity for building upon the realignment and streetscape improvements associated with the Convention Center Completion Project, the City Council established the Avenue of the Arts Implementation Board in May 1998. The Board consists of the Mayor, Council Members representing the 6th and 7th Wards, major institutions and property owners, neighborhood representatives, and seven at large members. In 1999, the Board developed the conceptual plan for the Avenue of the Arts, including recommended design elements, improvements in the public right-of-way and funding mechanisms. 1999 also saw exciting commitments from private sector partners in the form of bridge enhancements and public art along the avenue. In 2000, a preliminary design plan and finance plan were completed and presented to the City Council and Mayor for consideration to include in the 2001 City budget.

Convention Center Completion

In May 1999 construction began on the \$207 million expansion of the Minneapolis Convention Center. The 650,000 square foot expansion will nearly double the exhibit space and add needed meeting rooms and support space. Also planned is a 3,400-seat auditorium with revolving turntables that will accommodate smaller meetings. Completion is scheduled for early 2002. The expansion is guided by the Convention Center Implementation Committee composed of the Mayor, City Council President, the 7th Ward Council Member, the City Coordinator, the Executive Director of the MCDA, and business and community representatives.

Minneapolis Empowerment Zone

The Empowerment Zone (EZ) is a federal job creation, economic development strategy for America's inner cities. A ten-year initiative, its purpose is to create jobs and business opportunities in the most economically distressed areas of cities. The initiative is not a social services program, but rather a method of making disadvantaged communities stable and sustainable through self-empowerment and economic participation. As a holistic approach to urban renewal, the EZ focuses on activities to support people looking for work, businesses and residents.

Minneapolis is a Round II urban Empowerment Zone (EZ), designated in January 1999. The EZ is administered through the U.S. Department of Housing and Urban Development (HUD). The Minneapolis EZ has three areas; north, south, and a developable site in

northeast and southeast Minneapolis. Included in the designation are all or part of 19 of Minneapolis' 81 residential neighborhoods and approximately 49,000 residents.

The Goals of the EZ are the following:

- Economic development strategies that generate living wage jobs and community sustainability;
- Access to a variety of housing options that promote family and community stability;
- Neighborhood-based strategies that help residents combat drug-related activity, reduce juvenile crime, and create safe neighborhoods;
- A comprehensive pre-K through life education system that prepares all Minneapolis learners to participate in the economic and social fabric of the community; and,
- Coordinated community-based services that nurture and support young people and their families.

The EZ is governed by a board comprised of residents and business owners of the EZ, foundation and banking leaders and representatives of multiple government jurisdictions. In September, the EZ board was restructured to increase the number of EZ residents and business people. The board meets quarterly and makes recommendations to the Mayor and City Council on how best to invest EZ funds and discusses ways to address community development issues within the EZ.

In the year 2000, the EZ invested \$1.5 million directly in projects and programs and raised an additional \$13.8 million in funding from state and federal sources.

Projects receiving funding in 2000 include:

- Midtown YWCA - \$100,000
- Coliseum Building - \$300,000
- Minneapolis Public Schools wireless laptop computers- \$324,260
- Park Plaza Apartments renovation- \$400,000
- Hawthorne Homesteading Program single family infill housing- \$200,000
- Youth Trust E-Mentoring Project - \$150,000 over two years
- SBA One Stop Capital Shop - \$25,000

The EZ has also begun building a relationship with local foundations and banks. Once a month foundation and banking representatives gather to discuss EZ developments. The goal is to encourage funders to work collaboratively with the EZ, the city and others to achieve common goals. The state legislature awarded EZ projects \$8.8 million in the Year 2000 State Bonding Bill.

Throughout all its efforts the Empowerment Zone will continue to act as a catalyst for creative solutions to some of the most troubling issues facing Empowerment Zone residents and the City of Minneapolis.

Near Northside Implementation Committee

In April 1998, the City Council established an interdepartmental, interjurisdictional implementation committee to oversee redevelopment of a 73-acre public housing site in north Minneapolis. Major project elements include 900 new housing units, which includes 100 elderly units and 800 family units. Of the 800 family units, 200 will be public housing, 244 units will be subsidized (both rental and homeownership) and 356 will be market-rate (both rental and homeownership). In total, there will be 440 rental units and 360 homeownership units. In addition, the development will include a significant new parkland amenity, together with institutional and commercial uses to support the new residential community. In summer 1999, the Mayor and City Council selected McCormack Baron, a firm recognized nationally for their work on mixed income developments, as the Master Developer. McCormack Baron completed the site master plan, which was approved by the City Council in March 2000. Construction of infrastructure began in the fall of 2000. The project will be phased. The first two phases will be constructed north of Olson Highway; the third and fourth phases will be constructed south of Olson Highway. The entire development will be completed by 2007. Total project costs of the \$200 million project will be funded from various sources, including the Hollman settlement and the Empowerment Zone.

New Central Library Implementation Committee

Recognizing that the current Central Library is inadequate to meet the needs of the citizens of Minneapolis, a joint resolution of the Minneapolis City Council and the Minneapolis Library Board established the New Central Library Implementation Committee in June 1998. The Committee consists of the Mayor, the President of the Minneapolis Public Library, two Library Board members, two City Council members, library users, representatives of the business community and downtown residents. The City Coordinator and the Library Director are the executive sponsors directing this effort.

In 1999, the Implementation Committee worked to develop the program and preliminary building design requirements, identified potential sites, and developed preliminary funding strategies. In 2000, the Implementation Committee recommended demolishing the existing library and developing a new 350,000 square foot library on the existing site. A public parking garage may also be included in the project. The cost of the library is estimated to be approximately \$122.5 million, excluding parking and the planetarium. Funding for the project is proposed to come from multiple sources, including private contributions, state bonding, tax increment financing, and general obligation bonds authorized through a referendum. In August, the City Council and Board gave approval to place a \$140 million referendum on the November 7th ballot. On November 7th, the voters of Minneapolis approved the referendum. With a major portion of funding in place in 2001, the architect

and project management will be selected in 2001, with construction scheduled for 2003 - 2005.

Office of Cultural Affairs

In the 1999 budget, the Mayor and City Council directed the City Coordinator to establish an Office of Cultural Affairs. The Office of Cultural Affairs promotes Minneapolis as a center of arts and culture, coordinates community action to foster the arts, works to educate the public regarding the significant benefits of the arts, and identifies opportunities for funding arts and cultural initiatives in Minneapolis.

The Office of Cultural Affairs (OCA) is building a foundation for the future by developing partnerships with arts organizations, businesses, public agencies and schools and art policies. Its goal is to make the arts accessible to city residents and attractive to tourists by sponsoring and establishing new programs, services and events. Additionally, OCA manages programs established by the Minneapolis Arts Commission. These programs include Art in Public Places, Neighborhood Gateways, Neighborhood Arts Program, Arts Resource Fair and Art in the Mayor's Office.

OCA also promotes and fosters film, video, production, recording and new media. This is accomplished by showcasing local talent, promoting the city as production friendly and coordinating with other city departments to provide permits and other assistance to ensure a successful production.

2000 Accomplishments:

Neighborhood Arts Program

This program provides grants to arts, community and neighborhood organizations for art projects that build community and promote neighborhood pride. Currently, proposals are being accepted for the fall funding round. This past spring 30 organizations were funded for a total of \$26,000. The number of proposals received was 65 and the total dollar request was \$92,533.

Neighborhood Gateway Program

This program is a collaboration with neighborhoods to create public artworks with special meaning for that community. While enhancing the visual environment, this program builds community spirit through active neighborhood participation. Three gateway dedications occurred this year: Columbia Park, Ward 3; Armatage Park, Ward 13; and Bryant/Bancroft, Ward 8. Gateways currently in various stages of planning include Hawthorne, Ward 3; Marcy Holmes, Wards 2 and 5; Hale, Page, Diamond Lake, Ward 11; and Seward, Wards 2 and 9.

Arts Resource Fair

The Arts Resource Fair brings together artists, arts organizations, funding sources, community leaders,

businesses, neighborhood people, and educators to share resources, create ideas and build community through the arts. This year over 400 people attended this event.

Minnesota Electronic Theater (MET 2000)

There is a juried exhibit featuring animation, interactive multimedia, special effects and postproduction work. The best of computerized artistry, it attracted more than 800 people.

Art in the Mayor's Office

This program provides an opportunity for jury selected artists to exhibit their work in the Mayor's conference room. Every eight weeks the exhibit changes. The demand is so great to exhibit artwork that this program is scheduled through the end of 2001.

Minneapolis Arts Commission 25th Anniversary

A reception was held to celebrate the Minneapolis Arts Commission accomplishments.

New initiatives included:

Arts in the Parks. Arts in the Parks is a collaborative summer program with the Minneapolis Park and Recreation Board. The Park Board provides the venue and the Office of Cultural Affairs provides the artistic programming. Performances are free to the public.

Aquatennial. Target donated a self-propelled float that OCA built upon to celebrate the artistic and diverse cultures in Minneapolis. The award-winning float was featured in both the Grand Day and Torchlight Parades.

Staff functions were reorganized to serve the public better by creating Public Arts Administrator, Program Arts Manager positions, and a Film, Video, New Media and Recording Coordinator and to provide staff support to the Minneapolis Arts Commission.

Neighborhood Revitalization Program

The Neighborhood Revitalization Program (NRP), Minneapolis' neighborhood-based planning initiative, embarks on its second phase in 2001. The City Coordinator chairs the Management Review Team (MRT) of the NRP and staffed the NRP Policy Board's Phase II Planning Steering Committee. In 1999, the Steering Committee oversaw the identification of the financial issues related to Phase II and the development and adoption of the Goals for Phase II. In 2000, the Steering Committee designed the program operations principles and options for Phase II. After public comment on the options, the Steering Committee drafted the NRP Phase II Policy Framework that was adopted by the NRP Policy Board in July 2000. The MRT is coordinating the work of various jurisdictions in preparation for implementing the NRP Phase II Policy Framework.

Teamworks Evaluation

In June of 2000, Teamworks, Inc., a San Francisco-based evaluation firm, released its evaluation of the NRP, after two and one-half years of study. The City Coordinator was responsible for managing the contract with Teamworks during the final nine months of the project, which included making arrangements for the presentation of the study to the Policy Board, the Mayor and City Council, and to the public. This study concluded that NRP has been successful in building neighborhood capacity and resident confidence, and in leveraging private investments by homeowners in their properties. The complete study is available on the NRP website: www.nrp.org

Emergency Preparedness

The City Coordinator has been appointed to serve on the Congressional Panel to assess the nation's readiness for incidents of domestic terrorism. A three year panel (1999-2001), its work focuses on assessing the threat, defining our desired state of readiness, and recommending the structure, funding and strategies to achieve national readiness. As a representative of local government management, the Coordinator is working with public safety, emergency preparedness and public health professionals to ensure that first responders design the system, that essential information reaches local levels and that civilian oversight and civil liberties are protected.

3. To strengthen the management systems of the city

Governing

An independent evaluation of the 35 largest cities in the country ranked the management of the City of Minneapolis as tied for third place. Financial Management and Information Technology were graded among the top with an "A-". Human Resources and Capital Management received a "B," and the city's performance measurement system, that is currently being revised, a "B-". The management systems staff are not resting on their laurels but are engaged in continuous improvement and plan to improve their grades and standing in the next round in 2002.

Management Team Building

The City Coordinator initiated Management Teambuilding in 1995. The vision was to build cohesion and alignment across the management of the entire city. Every year greater cohesion and alignment have been obtained as the Department Heads have worked together on issues that impact the city as an enterprise.

In 1999, the City's Department Heads focused on bringing new members of the management team on board. They reviewed what they have accomplished as a team. In addition, they focused on identifying some of the hurdles encountered in the development of a shared understanding of future leadership needs of the city.

In 2000, the City Department Heads together with their direct reports focused on creating a succession planning process that would enable the city to be prepared for the future. Given the potential impact of retirements and competition for qualified and talented staff in the marketplace, the city needs to be proactive in keeping, growing and retaining its valuable employees. One of the key outcomes has been the development of leadership competencies, management competencies, and attributes that can be used citywide.

Space and Asset Management

The City Coordinator, the City Engineer, and their staffs developed a comprehensive facilities management program to address the facilities needs of city departments and services. In June 1999, the City Council and Mayor adopted the facilities management model and directed the City Coordinator and City Engineer to implement the model. The City Coordinator assigned the City Finance Officer to oversee the Space and Asset Management component of the model. In November 1999, the Space and Asset Manager was hired and began to implement the Facilities Management program with the Facility Manager in Public Works. The Space and Asset Management Committee, co-chaired by the City Coordinator and City Engineer, began meeting in 2000 to draft and recommend policies and procedures to the Mayor and Council, oversee the coordination of the departmental use of space, and prioritize space related capital projects.



Communications

Easily understood, accessible information is essential to the success of any organization. City government is no different. In fact, the ever-present goal of offering residents good government makes clear communications even more important for the City of Minneapolis and its diverse population of 365,000-plus.

The Communications Department's short-term and long-range plans are designed to assure that city departments, including the City Council, have ready access to communications support and counsel. In the year 2000, the department's efforts included Video Services, International Relations, and Grants and Special Projects. A refocusing of the department's 2001 priorities include the realignment of Video Services with Information Technology Services (ITS), and the city's grants efforts joining forces with the city's Intergovernmental Relations Department.

In 2000, the Communications Department continued to focus on offering strong counsel, having good anticipatory skills and keeping efforts focused on the needs of the city's primary audiences. Highlights of the year included the following activities or areas of support:

- New Central Library plans and branch library enhancements
- Transportation issues, including light rail transit and commuter rail
- City Council Members and Mayor, staff and constituents
- Crisis communications guidance
- News media activities
- City Web site, including content review and support
- Upper Mississippi River Plan
- Human Resources, including benefits communication and employee recruitment
- Employee communications
- Near Northside redevelopment activities
- Legislative support
- Communications support of city plans to assist "new arrivals", specifically non-English speaking immigrants
- Empowerment Zone activities
- Department of Health and Family Support, including the program Healthy Start
- City Attorney's office
- The 13th annual Minneapolis-St. Paul Home Tour, continuing to attract 8,000 visitors to more than 40 Minneapolis homes
- Public safety (Police and Fire)
- Census 2000 and Y2K efforts
- Year 2001 City Calendar, a favorite among residents according to annual survey returns
- Public Works Department, including solid waste and recycling; clean city efforts; street repair and route changes; and snow removal and street sweeping
- Neighborhood Revitalization Program (NRP) Phase II planning
- Elections Department
- Special events and groundbreakings

Grants & Special Projects

Grant revenue to the city is an increasingly important resource to the annual budgets of many programs. The Office of Grants and Special Projects is the lead agency in securing outside grants and supporting city departments in their identification of, application for, and management of grants from federal, state and local resources. The Grants and Special Projects Office recently experienced a highly successful period (1999 to present) in helping city departments secure competitive grants-in-aid. In 1999, the Grants and Special Projects Office assisted the city in receiving competitive grants totaling over \$30 million. In 2000, the office began implementing a 1999 management review study improving the process by which the city seeks and manages grants.

Office of International Affairs

Minneapolis continues to be a popular destination for international study visitors, especially government officials seeking insight into how Minneapolis conducts business. The Office of International Affairs does programming for these international guests and is the liaison to Minneapolis' eight sister-city citizen groups, including that for Ibaraki, Japan, and the newest Sister City, Uppsala, Sweden. The office also responds to a wide variety of other service requests, which have an international aspect to them.



Three major bond-rating agencies (Moody's Investors Service, Fitch IBCA, and Standard & Poor's Incorporated) continue to reaffirm the City's highest possible AAA general obligation bond credit rating.

Minneapolis' Credit Rating

The credit rating allows the city to enjoy the lowest possible interest rates on bonds issued to pay for streets, bridges, parks, recreation centers, libraries, parking structures, water and sewer systems, economic development projects, residential mortgage loans, and other public projects. The bond rating is based on several factors: the strong, diversified economy of the city; the city's financial management and controls; and debt management coordinated by the city, county, and school district. Only five other urban core cities in the United States have similar bond ratings (Charlotte, North Carolina; Columbus, Ohio; Indianapolis, Indiana; Omaha, Nebraska; and, Dallas, Texas). The city has retained AAA ratings continuously since 1962.

Cash & Revenue Management

In late 1999, the city installed two new Optical Character Reader machines with increased speed, volume, and accuracy, as well as the ability to image utility bill payments as they are processed, thereby greatly reducing research time on customers questions.

Technological enhancements are underway which will include an updated Interactive Voice Response phone system used in the utility billing area. This will allow 24-hour credit card payment as well as navigation to frequently asked questions. An Interactive Web Response system will also be implemented to allow on-line bill payment.

The city has changed its banking relationship and has been utilizing the online banking services as well as online trust account services for current updated viewing. Electronic Funds Transfers will be used more in the disbursement of city funds in lieu of sending out checks.

Financial Services and Budget

The Finance Department reorganized at the beginning of 2000, combining three previously separate divisions (Financial Services and Budget, Financial Operations, and General Accounting) into one new division now called Financial Services and Budget. One of the major objectives of the new division is to provide better financial information for decision-makers.

The major responsibilities of the division include the following: financial planning and budgeting; financial reporting; financial system support; capital and debt management; and, financial transaction processing, including payroll and accounts payable.

Management Analysis

The goal of the Management Analysis Division (MAD) is to be an effective internal management consulting service that provides the analytical, process development, and coordinating services needed and requested by city management to do its job more effectively and efficiently. The following are examples of how MAD assisted various departments in 2000:

- **Facilities Management:** Worked with Planning, Public Works, Police, MCDA, and Finance to analyze the operations and relocation options for the Impound Lot/ concrete crushing/Linden Yards Storage;
- **Park/Public Works:** Assisted the Park Board and Public Works in reviewing ways to coordinate maintenance of bikeways;
- **Parking Systems Analysis:** Worked with Public Works-Transportation and Finance to review management of the parking ramps;
- **CCP/SAFE:** Assisted the Police Department in identifying issues and concerns among various stakeholders of CCP/SAFE and suggested options and/or approaches for the department to consider; and,
- **License Fee Review:** Worked with the Licenses and Consumer Services Division to review city resources used by certain problem business license categories to adjust the license fees to cover costs.

Procurement

Procurement provides procurement and contract management services for city departments, boards and related agencies. The Council and Mayor approved new procedures and training for contract management and monitoring. Contract management training was initiated and will continue.

Professional Development

The Finance Department completed its second year of a department-wide training curriculum with requirements for every job title in the department. The Division Directors have reviewed and modified this curriculum twice since its inception. On-site college level governmental accounting classes were also offered in 2000 through the Minneapolis Community and Technical College.

Risk Management and Claims

Tort Liability with the Staff Claims Committee utilizes a third party investigation and claims administration program to review, reject or accept claims made against the city. A major focus of the committee is the corrective action that is required to diminish claims in the future. For the first three quarters of 2000 a total of 535 claims were filed and 52 claims presented before the Tort Claims Committee, made up of representatives of the major city departments. Ten claimants are appealing their decisions to the City Council Claims Committee. The actuarial study to address the city's concern



regarding our past experience and projected obligations in the areas of tort liability, workers' compensation, and health benefits will be completed in early February 2001. Recommendations on a revised allocation process will be expected.

Workers' Compensation has completed an external audit by the Workers' Compensation Reinsurance Association. All protocols were within standard limits. After a comprehensive review of all files, the claim counts per coordinator were reduced by 63 percent in the first three-quarters of 2000. The main Workers' Compensation database has now been converted to a Windows format. Workers' Compensation training of supervisors' responsibilities and management of injuries has been provided to four departments.

The medical managed care system for Workers' Compensation claims and employment services has been operational with some personnel and physician changes to better fit the city's goals. New systems have been implemented for electronic pre-authorizations, streamlined billing, and establishing or revising protocols for departmental employment health screenings.

The Convention Center Expansion Project has been utilizing all possible Loss Prevention and Safety practices. This year, the City partnered with OSHA to provide additional resources and input to strengthen safety practices onsite. Loss Prevention has provided over 100 ergonomic assessments, three departmental trainings in the areas of confined space, blood borne pathogens and a comprehensive respiratory protection program, as well as assisting one department in the training of new safety specialists.

The Human Resources Department implemented Phase II of HR Reform. Its goal is to help the city make better decisions about its investments in human capital.

HR Reform - Phase II

HR Reform - Phase II was begun by asking our customers for their input. Over 900 employees completed a written survey. Individual interviews and focus groups were conducted that included over 200 managers, supervisors and elected officials.

HR Reform – Four Key Initiatives

1. Workforce Planning

- Expected Outcomes: Develop Workforce Action Plans for all city departments during the year 2000.
- Since its inception, the Workforce Planning Team has accomplished the following:
 - Conducted pilot projects in the Fire Department and the Assessor's Office;
 - Completed Workforce Action Plans for Human Resources, Planning, Finance and the City Clerk's Office;
 - Worked on Action Plans with Public Works, Health and Family Support and Police Departments;
 - Simplified the model and added a "hand-off" to Human Resources; and,
 - Worked to implement Citywide Succession Planning.
- Emerging trends from completed Workforce Action Plans include:
 - Filling vacancies caused by the many retirements may be a problem;
 - Need for more flexible benefits and compensation to attract new employees; and,
 - Need to make major Development & Training investments (enterprise skills, cross training, competency development, etc.).

2. Improve Recruiting

- Expected Outcomes: Hiring managers will see more qualified and diverse applicants.
- Since its inception, the Improve Recruiting Team has accomplished the following:
 - Created the Affirmative Action Roundtable, made up of influential representatives of all protected class groups and major department heads;
 - Hired and trained organizers from each community of color;
 - Defined minimum job requirements and eliminated artificial barriers to hiring;
 - Established baseline data and isolated the cost of advertising;

- Helped recruit the most diverse pool ever of applicants for Fire Cadets; and,
- Attended multiple job fairs.

- The Team's recruitment strategies:

- Created recruitment resource library that includes professional journals, websites, and media contacts;
- Developed HR budget priority for advertising and recruiting;
- Promotional materials (bags, pencils, info cards) in several languages were procured and other recruiting materials were updated;
- Hired a second receptionist to more quickly serve walk-in applicants; and,
- Job announcements and advertisements were redesigned using a more attractive format, with more common and current language.

- The Team has learned that:

- Advertising is not recruiting;
- Recruiting must start before the vacancy occurs;
- Successful recruiting will be based on successful Workforce Action Plans and a streamlined staffing process;
- Recruiting is not an end in itself; managers must hire from the communities of color involved; and,
- Literature review found job satisfaction tied to pride in one's employer, good benefits, fair pay and promotions, a relaxed and creative work environment, and opportunities for development.

3. Streamline Staffing

- Expected Outcomes: Hiring managers can hire more quickly, choose from more qualified applicants and use HRIS to speed up the process. Staffing is a very linear process.
 - There is little ability to reduce the number of process steps.
 - We are able to re-allocate work to eliminate existing bottlenecks.
 - We can develop and implement tools to enhance efficiency.
 - We will continue to creatively reduce time delays associated with required waiting periods.
- Since its inception, the Streamline Staffing Team has accomplished the following:
 - Identified all phases of staffing process;
 - Designed new staffing process;
 - Solved job application data entry problem;
 - Designed a new application management system;
 - Identified responsibilities and training needs for each job title; and,
 - Developed customer service survey tools.

4. Improve HR Service Delivery

- Expected Outcomes: Reorganize the HR department so customers find it more competent and responsive.
- Since its inception, the Improve HR Service Delivery Team has accomplished the following:
 - Conducted best practice research for HR department structures;
 - Identified service delivery structures that best meet the city's strategic HR needs;
 - Identified full-time equivalents needed to support functional areas; and,
 - Designed a new organizational structure to better serve customer departments.
- The Human Resources Department realized that exceptional resources were needed to achieve the Expected Outcomes. To that end, we made the following investments:
 - MDA and Pepperdine University consultants gathered stakeholder input and diagnosed feedback.
 - Project Leaders were relieved of routine tasks and paid a stipend for leadership.
 - All project team members were directed to spend 20 percent of their time on HR Reform.
 - Each project team was given a working budget.
 - Expert consultants were hired to help with PeopleSoft upgrade, Skillscape installation, and succession planning.

HR Reform – Early Successes

- Team self-assessments of capacity of change show increased willingness to change.
- Major milestones were accomplished on schedule.
- Operating departments began using HR Reform language.
- An increased sense of urgency was developed by elected officials.



Information and Technology Services

Despite many changes in 2000, ITS has provided quality services through collaboration with its business partners. ITS streamlined the operation into a more effective information services provider and is working to strengthen customer relations. At the same time, ITS continues to improve its business applications, IT infrastructure, and telecommunications.

A new Chief Information Officer introduced a new vision which focuses on enabling ITS to function as an information services “business” within the city. ITS reorganized in August to align with the new vision.

Department-Wide Successes

- A focus on providing and maintaining enterprise applications that serve the needs of multiple departments, if not all employees, was established.
- IT strengthened its infrastructure backbone – the network and systems that keep information flowing smoothly.
- Emphasis was placed on using the Web to deliver applications, information and services – which speeds rollout, reduces the number of desktop visits and simplifies technical support.
- Developed the delivery of quality help desk support through the Action Center and involving desktop, server, network and other specialists.
- The department completed ITS and Police merger of IT functions.
- Provided leadership within the city during the process for new Strategic Information Systems Planning (SISP) funding.
- Developed a sound financial plan for department budgeting.
- ITS personnel improved through training, management support and salary enhancements.

Action Center

To enhance customer support this area of responsibility now reports directly to the CIO. The Action Center receives a weekly average of 500 to 700 calls – covering everything from general how-to questions to requests for new service to problem reports. New management tools will allow remote inventories of workstations and distribution of new or revised applications from a central location. These tools will also help manage calls for services.

GIS

The first of the GIS-based tools arrived for employees via Web browsers in 2000. Currently, three functions are available: mailing labels, standard maps and incident reporting. Work continues, to develop additional functionality and to align the technologies with city standards.

Intranet/Internet

In 2000, the Web continued to affect the way the city delivers services and information. While the city's public

Web site saw another year of increased use (2.75 million Web pages delivered to more than a million users), the Intranet enjoyed dramatic growth, serving about a million Web pages to those employees with computers. An improved search engine on both sites enhanced the ability of users to find the information they were looking for.

These Web pages provide critical information and services for employees, residents and businesses. The Intranet, in fact, received an award for excellence in government communications. But in 2000, the city began to move towards full online service delivery – a process that will continue into the future.

Service applications implemented in 2000 include:

- Property Info (both Intranet and public versions)
- Fire EIS, statistical analysis for the Fire Chief and the department
- Criminal EIS, which assists the attorney's office in managing its caseload
- Online business card ordering for employees
- Fire department vacation and shift draw applications
- Electronic job application, which dramatically improves the process of applying for a job with the city

Customer Relations and Business Applications

The Customer Relations and Business Applications Director, together with the CIO, is meeting with department heads to enhance our understanding of the departments' business needs and establish service level agreements.

The department's business applications made great enterprise strides in 2000. Many enterprise applications were created, drawing information from legacy data sources such as KIVA. Several departmental systems were interfaced to enterprise systems, thus enhancing data quality and decreasing redundant data input at the department level. New management and operational reports help manage resources and meet the needs of its customers.

Listed below are highlights of the department's ongoing work and accomplishments:

The Central Administration Cluster added enhanced functionality to HRIS, including a Web-enabled electronic job application and interfaces to department systems to eliminate redundancy. It researched and recommended purchase of BRASS for budgeting. Implemented voice- and web-enabled utility billing system.

The Property Cluster assisted with development of property-based Web applications, including specialized uses for the Property Information application. It provided stabilization and enhancements to the Assessor application including enterprise functionality for special assessments, and it integrated related stand-alone



Intergovernmental Relations

applications into the KIVA system and created enterprise management and operational reports.

The Public Safety Cluster's biggest success in Public Safety was the merger of ITS and Police IT functions – due both to the time and effort involved in the process and to cost savings and service improvement it will provide. The merger provided the opportunity to upgrade many Police systems as well as eliminate redundancies.

Several new applications provide improved information and systems. The Web-based executive information systems for Fire and Attorney display much-needed data and analysis in an easy-to-use package. The Fire vacation and shift draw applications (also Web-based) provide up-to-the-minute information to remote fire stations. Enhanced reports from existing applications have also improved department access to accurate information.

IT Infrastructure

Desktop Services: The continued rollout of standard image workstations greatly enhanced service quality – most calls for service can now be handled over the phone. This architecture standardization continues to enhance city employees' ability to share information.

Network: The network environment was stabilized by migrating all users to CityNet with a single logon. The department implemented clustering and load balancing to provide a high-availability server environment and implemented enterprise data storage. It developed a plan and issued an RFP for I-Net, a high-speed connection for all city locations. Upgrading infrastructure to handle e-Government applications was also important.

Security: The department upgraded city firewall to securely provide access to data from outside the city's protected network and developed a standard methodology for application and data security to ensure that Web-based applications display only appropriate information.

IT Management

ITS Management focuses on aligning technology investments with city goals, implementing management tools, helping to redefine and strengthen the Technology Steering Committee, ensuring that the "business" of IT runs smoothly and effectively, preparing and monitoring budgets, and implementing quality management processes.

To serve as a valuable and essential resource for the city in its policy development, priority setting, issue management, and governmental relations initiatives, the Intergovernmental Relations Department developed a "Strategic Plan" to effectively represent the city's policies and priorities before federal, state and regional governments. The Plan is evaluated annually and serves as a blueprint to move the IGR functions to a more strategic model based on essential priorities. The Plan also promotes enhanced quality of IGR functions for the city. Under the Plan, IGR has implemented several strategies for 2001:

Departmental Liaisons. IGR staff members are assigned to city departments to serve as liaisons to those departments. During the summer months, IGR staff meets with departmental leadership to discuss preliminary legislative issues for the upcoming session. The IGR staff also attends department staff meetings in order to brief the departments about the functions and services of IGR. Each department in turn assigns a staff person to be the primary contact for IGR.

Raising Awareness of IGR. IGR actively participates in interdepartmental functions in an effort to raise the profile of the department within the city. Actions are also undertaken to increase awareness of how the IGR Department has been integrated into the city's service needs and how the department is aligned with the city's goals.

Interdepartmental Work Teams. Prior to the legislative session, the IGR staff re-establishes cross-departmental work teams in specific issue areas. These teams meet several times to identify issues of concern and develop introductory legislative proposals. In the fall, the work teams met with elected officials to formalize recommendations. This teamwork approach leads to a legislative agenda that is focused on a specific set of issues, rather than a general wish list.

Legislative Package. In developing the city's legislative package for 2000, emphasis was placed on early and continued involvement of the Minneapolis legislative delegation. In the fall, IGR hosted a delegation breakfast where legislators and Council Members worked through introductory proposals developed by the work teams. The IGR Office hosts an orientation session for newly elected Minneapolis legislators.

Six major issues facing the city will guide the 2001 State legislative package:

- Affordable Housing
- Municipal Financing
- Public Safety
- Economic Development
- City Livability
- Transportation/Transit

Federal Package. The IGR staff has formally defined a federal legislative package. IGR staff in consultation with the city's federal lobbyist, will refine the Federal Legislative Agenda for the 2001 Congressional Session.



Operations and Regulatory Services

The Department of Operations and Regulatory Services is a part of the Office of the City Coordinator that provides direct services to customers that include residents, businesses and visitors. The department consists of two major functions: Regulatory Services and Operations. Regulatory Services consists of two divisions: Licenses and Consumer Services, and Inspections. The activities of these divisions protect and enhance the livability of the city's neighborhoods. The Operations function of the department consists of the Minneapolis Convention Center whose activities strengthen the economy of the city, region and state. It is the department's mission to provide the highest quality service to its customers in all of its many functions.

The department was very active in 2000, implementing a future vision for the organization which is customer focused, performance driven and results oriented. Highlights from year 2000 include:

- The significant new expansion of the Convention Center that will make the facility world competitive;
- Overseeing safe construction of new homes and businesses in one of the hottest real estate markets in the country;
- Focusing on ways to address problem businesses through greater collaboration among departments;
- Forming geographic based service delivery teams to encourage a team-based approach and interdepartmental cooperation;
- Creating new customer initiatives including interactive websites, public information materials and customer-friendly service areas;
- Continuing our commitment to new technology and automation, including BIIIS, GIS and E-Government, that will enable us to do our jobs smarter, faster and better;
- Creating a successful Regulatory Services "Employee Recognition and Awards" program held in conjunction with the annual training conference; and,
- Planning for succession management and workforce sharing.

Operations: The Minneapolis Convention Center & Greater Minneapolis Convention and Visitors Association

The Minneapolis Convention Center (MCC) is one of the primary economic engines driving the success and vitality of downtown Minneapolis, the metro region and Minnesota. The convention and visitor business is very big business for the city and state, with hundreds of hotels, restaurants, entertainment venues and attendant facilities. The hospitality industry employs tens of thousands and generates significant revenue for city and state programs and services. In 2000, the MCC:

- Successfully implemented the initial stages of the Convention Center reorganization. Most importantly, the new Executive Management Team has been

created and, in addition, Directors of Event Services and Facility Services are now hired and in place. The Convention Center sales team was merged with that of the Greater Minneapolis Convention and Visitors Association as another component of the restructuring in 2000. This has progressed extremely well and the MCC/GMCVA partnership has never been stronger.

- Completed the implementation of a new Event Business Management System that has dramatically changed operations. The system has significantly reduced duplication and conserved paper with a predicted \$10,000 dollar savings in printing costs alone for this year;
- Helped host the Alcoholics Anonymous 48,000 delegates from all corners of the world who completely filled downtown Minneapolis in mid-June. This was the largest event of its type the facility has ever participated in and resulted in one of the best performances by MCC staff. In addition, dozens of national, state and local conventions, meetings and events were successfully hosted by the facility.

Regulatory Services: Inspections and Licenses and Consumer Services

Regulatory Services plays a key role in the city, assuring a safe built and natural environment. In 2000, the two Divisions of Regulatory Services were responsible for tens of thousands of code compliance inspections involving a wide range of activities including business operations, single and multifamily housing, building construction, food safety and the environment. Greater detail on many of these activities can be found in the Physical Environment Chapter of the State of the City report.

Our primary goal and accomplishment in 2000 was the restructuring of Regulatory Services into five major, functional service areas: Development Review Services, Construction Inspection Services and Housing Inspection Services within the Inspections Division; and, Business Services and Environmental Services within the Licenses Division.

Licenses and Consumer Services

The Licenses and Consumer Services Division consists of Business Services and Environmental Services. Business Services consists of Licenses and Traffic Control, while Environmental Services consists of Animal Control, Environmental Health (food safety), Environmental Management (pollution control) and the Lead Hazard Control Program.

In 2000, Business Services:

- Coordinated zoning and licensing on the site plan review process;
- More effectively coordinated regulation of problem businesses;
- Successfully modified and implemented the KIVA renewing permit system in Business Licensing;
- Piloted Administrative Law Judge hearings;
- Reviewed problem business license fees;

- Made Business Application, Insurance and Bond images available to all departments on KIVA, through the Imaging project;
- Worked cooperatively with the downtown business community to enhance security;
- Designed Administrative Fine System in conjunction with the City Attorney's Office and the Public Safety and Regulatory Services Committee of the City Council; and,
- Held a Somali Business Seminar on September 30 – Starting a Business in Minneapolis.

In 2000, Environmental Services:

- Reduced the number of reported food borne illnesses from 7 cases in first 3 quarters of 1999 to 0 cases in the same time frame for 2000;
- Updated the Emergency Closure Ordinance to strengthen our ability to close hazardous food establishments;
- Implemented Spanish Speaking Food Manager Recertification classes; translated additional materials into Spanish and Somali;
- Implemented a new Noise Control Program, including task forces to develop strategies to address domestic, mechanical and transportation related noise sources;
- Leveraged \$1.4 million from county, state and federal sources to cleanup two Superfund sites (Doc's Auto and Shafer Battery); monitored and oversaw cleanup activities at over four hundred Petrofund and Voluntary Investigation and Cleanup Sites;
- Developed Comprehensive Lead Plan;
- Received new HUD Lead Grant;
- Made 131 affordable housing units lead safe as of August 31;
- Introduced the Late Night Enforcement Pilot Project, which offered select overnight field services and used a new abatement and enforcement procedure for nuisance barking; and,
- Worked with the Minneapolis Park and Recreation Board, the Minneapolis Chapter of Responsible Owners of Mannerly Pets, and other stakeholders to create off leash areas.

Inspections:

The Inspections Division consists of three major programs: Development Review Services consisting of Permit Issuance, Zoning, and Plan Review; Construction Inspection Services consisting of Building and Trades Inspections, Truth in Sale of Housing and Occupancy Certification; and Housing Inspection Services consisting of Housing Inspections, Rental Licensing and Hazardous/Boarded Buildings

In 2000, Inspections Administration:

- Updated the Inspections Business Plan with input from internal and external stakeholders and business planning team;
- Reorganized the Division into three main sections (Construction Inspection Services, Development

Review Services and Housing Inspection Services) to advance the new Business Plan, provide improved customer service, and realign existing resources with core business services to achieve citywide goals. In conjunction with this, two employees were reclassified to Deputy Director positions to help implement the reorganization;

- Moved to newly reconfigured offices on the third and fourth floors of the Public Service Center in conjunction with one-stop shopping development review layout and process;
- Provided resources for several citywide initiatives including the Coordinated Action Program, Code Compliance Unit, E-forms Committee, New Arrivals Workgroup and Clean City.

In 2000, Development Review Services:

- Performed plan review and approval on the following major projects:
 - 32 story Target office building at 1000 Nicollet Avenue
 - 14 story high-rise and Target retail facility at 900 Nicollet Avenue
 - Milwaukee Depot site redevelopment
 - 25 story American Express tower
 - Minneapolis Convention Center expansion
- Provided continued review and additional approvals for the following major projects:
 - Hennepin County Adult Correctional Facility
 - US Bancorp Center
 - Piper tower
 - Dorsey and Whitney tower at 60 South 6th Street;
- Began offering homeowner permit nights;
- Began revising and updating customer handouts for inclusion on the Inspections web site;
- Refined and simplified permit processes;
- Implemented expedited plan review service; and,
- Implemented the first comprehensive revision and update of the Minneapolis Zoning Code since 1963, and reemphasized field verification and enforcement efforts.

In 2000, Construction Inspection Services:

- Assisted in the issuance of over 60,000 permits with associated revenue of \$16 million;
- Performed over 90,000 inspections of alternations, remodeling and new construction resulting in a safer built environment;
- Coordinated issuance of 175 certificates of occupancy authorizing occupancy of safe schools, day care centers, businesses and homes;
- Created a new team as part of the reorganization in support of our mission and customer service;
- Reviewed and processed nearly 7,000 Truth In Sale of Housing (TISH) evaluations, a 15% increase from 1999. This included the collection of \$142,500 in fees;
- Issued over 5,000 certificates of approvals for successful closings, which assured properly installed smoke detectors, elimination of plumbing hazards and



Neighborhood Revitalization Program

the certification of over 1,000 heating systems;

- Conducted 168 inspections of condemned properties and issued complete correction orders to assure code compliance;
- Issued 134 code compliance certificates approving the safe reuse of previously condemned buildings;
- Safely removed ten buildings in imminent threat of collapse without damage to property or injury to the public and assessed the costs to the property;
- Utilized fire escrow insurance funds based on state legislation to remove three buildings severely damaged by fire at no cost to the city and its taxpayers; and,
- Processed 38 fire escrow requests and successfully closed 17 escrow accounts ensuring fire repairs were completed to code using appropriate insurance funds.

In 2000, Housing Inspection Services:

- Implemented a Bench Warrant Strategy for outstanding housing code violations. This allowed Housing Inspection Services to work together with Community Crime Prevention (SAFE), Hennepin County Courts and City Attorneys to resolve many of the open bench warrant cases;
- Adopted new amendments to the rental licensing ordinance, changing the requirements for licensing a rental property and increasing fees, the first increase since 1991;
- Recommended a new ordinance change to cover inspection costs by creating an administrative fee for towing inoperable vehicles from properties;
- Increased routine inspections for environmental nuisance violations by five percent;
- Initiated over 25,000 housing cases related to nuisance conditions, an increase of three percent over last year's requests;
- Conducted 55,000 reinspections for all housing cases for a total of 77,000 inspections. It is anticipated that this number will increase to approximately 100,000 plus by the end of year 2000;
- Strengthened communications with council members, neighborhood groups, block club leaders and other stakeholders regarding areas of concern;
- Conducted rental license inspections of 2300 units in 300 buildings bringing the total number of approved units to 27,000;
- Recommended ten properties for demolition; and,
- Maintained approximately 300 buildings that are designated as boarded and vacant.

In 2000 all 81 residential neighborhoods continued to be involved in some phase of the Neighborhood Revitalization Program.

The Neighborhood Revitalization Program (NRP) is an internationally recognized, unique effort to change the future of the city's neighborhoods, making them better places to live, work, learn and play. Neighborhood-based planning and priority setting are the heart of the NRP. Through collaboration with government and others, neighborhood residents organize together, gather information, prioritize needs, identify resources, and implement solutions that improve neighborhood and city livability.

The NRP is governed by a legal agreement among the City of Minneapolis, the Minneapolis School Board, Minneapolis Park and Recreation Board, Minneapolis Library Board, and Hennepin County. The agreement allows the five jurisdictions to share resources and encourages them to work together to implement approved Neighborhood Action Plans.

The NRP has six primary goals:

- Create a greater sense of community so that the people who live, work, learn and play in Minneapolis have an increased sense of commitment to and confidence in their neighborhood and their city;
- Sustain and enhance neighborhood capability in order to strengthen the civic involvement of all members of the community;
- Ensure that neighborhood-based planning remains the foundation of the program, is informed and leads to creative and innovative approaches;
- Strengthen the partnerships among neighborhoods and jurisdictions to identify and accomplish shared citywide goals;
- Ensure that government agencies learn from and respond to neighborhood plans so that public services ultimately reflect neighborhood priorities; and,
- Develop and support life cycle housing citywide through the preservation of existing housing and new construction by reaffirming our commitment to the state mandate that 52.5 percent of NRP funds be spent on housing.

Residents participating in the NRP use a systematic planning process to develop a Neighborhood Action Plan – a multi-year, neighborhood-based plan that identifies the visions, goals, objectives, and strategies that will address neighborhood priorities and direct the expenditure of NRP funds.

Some neighborhoods have formed voluntary partnerships that result in a single plan for several neighborhoods. These partnerships mean that 66 Neighborhood Action Plans will be in place when all neighborhoods have completed their planning efforts. Already 60 of the 66 possible Neighborhood Action Plans have been approved

In addition, significant change has been made in the processes used to implement neighborhood plans as a result of continuous review of the neighborhood planning process. The NRP staff is continually working to streamline the contracting and implementation process to get resources out to neighborhoods more quickly.

Program Accomplishments Through October 2000

Since it began operation in 1991, the NRP has been involved in more than 1,400 projects scattered throughout the city. These projects come out of the Neighborhood Action Plans created by citizens working together to address neighborhood priorities. NRP projects have had a dramatic impact on neighborhood and city priorities in the following areas: Housing, Economic Development, Community Building, Crime Prevention, Transportation/Infrastructure, Environment, Parks and Recreation, Human Services, and Schools and Libraries.

Housing

- The NRP has allocated approximately \$85 million to programs and projects aimed at maintaining and improving the city's housing stock. They include: home improvement loan and grant programs; new housing development programs; rental property rehabilitation programs; and other programs designed to make physical improvements to the city's existing housing stock.

Economic Development

- The NRP has allocated nearly \$28.7 million to economic development initiatives throughout the city. Of this, \$6.4 million has been used to improve Lake St, Hennepin Ave, Glenwood Ave, University Ave, Excelsior Blvd, Central Ave, Franklin Ave, and Nicollet Ave. Nearly \$6.3 million has been allocated for business development activities. Other economic development activities include commercial loan/grant programs, programs designed to address home-based businesses, and job creation programs.

Community Building

- The NRP has allocated more than \$9.3 million to neighborhoods for projects aimed at community building. Examples include: gateway projects; programs and materials that welcome new residents; programs designed to preserve neighborhood history; and arts and culture programs.

Crime Prevention And Safety Promotion

- The NRP has allocated more than \$7.7 million for projects and programs designed to make neighborhoods safer places to live, work, learn, and play. This funding has been used for such things as: additional police services; block clubs and citizen patrols; crime prevention education programs; and lighting and other neighborhood security improvements.

Transportation/Infrastructure

- The NRP has allocated more than \$4.7 million to improve pedestrian, bicycle and transit services throughout the city.

Environment

- The NRP has allocated more than \$4.2 million for projects and programs aimed at improving the physical environment of our city's neighborhoods. Environmental projects include: tree, bush and garden planting projects; neighborhood clean-up projects; energy conservation or recycling projects; and water quality projects.

Parks And Recreation

- The NRP has allocated nearly \$15.7 million for projects aimed at improving parks and recreation facilities and programs. More than \$8 million has gone toward improving park buildings, playgrounds and fields throughout the city. Nearly \$2 million has been approved for park landscaping projects. In addition, more than \$500,000 has been used for the creation and improvement of park programs.

Human Services

- The NRP has allocated nearly \$14.2 million for programs and projects designed to create or improve services for families and children in neighborhoods throughout the city. These projects include: family/childcare/parenting programs; youth and teen programs; disabled person programs; and senior programs. In addition, more than \$1.6 million has been approved by neighborhoods for community health clinic facilities and programs.

Schools And Libraries

- The NRP has allocated nearly \$5.8 million for the improvement of school and library programs and facilities. In fact, 51 schools and five libraries have been improved with NRP funds.

NRP Year 2000 "Project" Highlights

The types of projects that neighborhoods embarked upon or completed in 2000 were varied and diverse and included:

East Village Apartments – Residents in the Elliot Park neighborhood invested \$500,000 in NRP funds in a \$30 million mixed-income, mixed-use housing development project consisting of 179 units – 20 percent of which will be affordable housing units.

Artists on Chicago – Residents living in two neighborhoods, Powderhorn Park and Central, collaborated to build ten units of artist studio/living spaces. The units were sold to households at or below 80 percent of the Metro Median Income. The two neighborhoods invested \$450,000 in NRP funds in the project.

Franklin Avenue Streetscape – Residents in the Phillips neighborhood invested \$300,000 in NRP funds in a \$3.8 million Franklin Avenue Streetscape renewal

project that spans from Chicago to 16th Avenues. The project includes new pedestrian lighting, 80 new trees, benches, perennial flowerbeds, bike racks and widened sidewalks inlaid with colorful graphic designs depicting the many cultures represented in the neighborhood.

Midtown YWCA – Residents of the Corcoran, Longfellow, Powderhorn Park, Standish, and Ericsson neighborhoods invested more than \$1 million in NRP funds in the state-of-the-art YWCA facility on E. Lake Street in South Minneapolis. The facility brought youth, childcare, and health and fitness programs to a traditionally under-served area of the city.

Homewood Studios & Plymouth Avenue Art Studios – Residents in the Near North and Willard Hay neighborhoods invested \$175,000 in NRP funds to convert two formerly blighted buildings into 11 artist studio spaces and two community/gallery spaces.

“Hiding In Plain Sight: Minneapolis’ First Neighborhood” – A book published by the Marcy Holmes Neighborhood Association/NRP documented the history of the Marcy-Holmes neighborhood. The book earned the neighborhood association and author the Minneapolis Heritage Preservation Commission’s Community Education Award on May 18, 2000.

Midtown Greenway – Residents in six Minneapolis neighborhoods invested nearly \$90,000 in NRP funds to convert an unused sunken rail corridor into a 2.8 mile Midtown Greenway Bicycle and Pedestrian Path.

Lake Nokomis Native Gardens/Savanna Restoration Project – Nokomis area residents concerned about the water quality of Lakes Nokomis and Hiawatha have embarked on several environmental projects aimed at addressing the negative impact that phosphorous runoff from fertilizer use in adjacent neighborhoods is having on water quality in the Lakes. With the help of the NRP, Nokomis area residents have volunteered in mass to help add wetland plants and other native vegetation to three gardens and the shoreline around Lake Nokomis as a way of improving water quality by controlling erosion.

Van Cleve, Victory and Cavell Park Improvements – Residents in the Southeast Como, Victory, and Waite Park neighborhoods invested nearly \$600,000 in NRP funds to purchase new playground equipment, renovate playground areas, make substantial field improvements, and complete major landscape redesigns in 2000.

Minneapolis Urban League’s Glover-Sudduth Center – Residents in the Near North and Willard Hay neighborhoods have invested \$350,000 in the now-under-construction Glover-Sudduth Center for Urban Affairs and Economic Development. The center, named in honor of two of Minneapolis’ most esteemed leaders, will house a new Employment and Training Center.

Armatage Gym and Playground – Residents in the Armatage neighborhood invested \$717,000 in NRP funds to build a new gymnasium and playground joining Armatage Community School and Armatage Park Neighborhood Center. The NRP also helped facilitate the signing of a shared-use agreement between the Armatage Neighborhood Organization, the Minneapolis Parks and Recreation Board, and the Minneapolis Public Schools for the use of the new gymnasium.

Pratt School Reopening – Residents successfully advocated for the reopening of Sidney Pratt School in Prospect Park, a well used, much loved neighborhood landmark that was closed as a school in 1982. NRP investments of \$437,000 to date have supported major facilities improvements, including a new elevator for handicap accessibility, as well as an amphitheater, a new playground, and an all-day kindergarten program.

Year 2000 “Program” Highlights

In addition to the many projects and initiatives the NRP has been involved in, in 2000, the Program also took great honor in being recognized by the United Nations for improving the quality of life for Minneapolis residents.

On June 8, 2000, the United Nations (UN) Centre for Human Settlements placed the Minneapolis Neighborhood Revitalization Program on its elite Global 100 Best Practices List.

The UN classifies Best Practices as initiatives that have made outstanding contributions to improving the quality of life in cities and communities around the world. In 2000, more than 750 organizations representing 110 countries were considered for the Best Practices Awards. The NRP was one of only three programs from the United States to be recognized by the United Nations.

NRP Gets High Marks For First Ten Years

A research study evaluating the NRP’s first decade was published in July 2000 by San Francisco-based research consultant Teamworks. The study, commissioned by the NRP Policy Board, produced several statistically significant findings. Here are just a few:

- Sixty-percent percent of adults in Minneapolis report they have heard of the NRP according to a survey of over 1,100 households;
- NRP expenditures had a significant impact on the increase in repairs and improvements in the Minneapolis housing stock between 1992 and 1997; and,
- NRP expenditures made a significant difference in the size of increases in homeownership rates in Minneapolis neighborhoods from 1990-99.



City Revenues and Expenditures

The 2001 Council adopted budget (net of internal transfers) calls for city operating expenditures of over \$914 million against revenues of nearly \$954 million.

Within the operating budget recommendations, the Mayor's 2001 budget calls for \$218 million of General Fund expenditures, balanced by a like amount of revenue. The 2000 approved budget called for General Fund expenditures of just over \$207 million.

The General Fund is the largest of the operating funds. It finances many activities, such as general government, public safety, streets, culture and recreation. It receives financial support from a number of sources such as general property tax, licenses and permits, franchise fees, service charges, fines and forfeits.

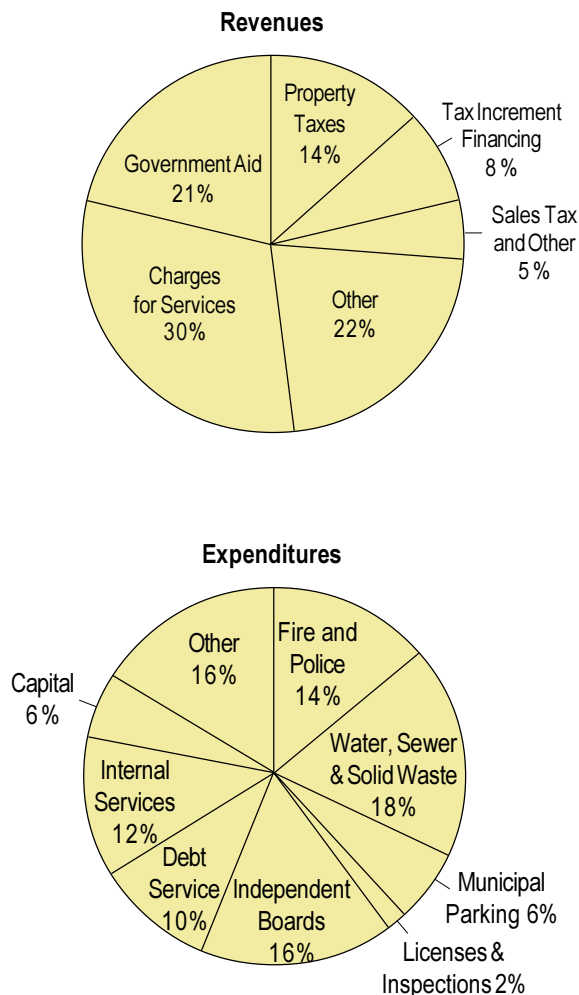
One pie chart, below, shows the relative importance of the major categories of 2001 General Fund revenue. The other shows the expenditure share proposed for the major users of the fund revenue.

The following table shows proposed 2001 General Fund operating expenditures, for several departments whose activities are discussed, in part, within this *State of the City* report. The 2000 approved amounts for these departments are also included for comparison.

GENERAL FUND OPERATING EXPENDITURES SELECTED DEPARTMENTS AND BOARDS 2000 & 2001 BUDGETS

Department	2000	2001
Fire Department	\$38.3	\$38.9
Police Department	87.6	90.8
Inspections & Licenses Department	16.4	17.2
Health Department	3.7	3.8
Public Works Department	32.6	35.7

2001 COUNCIL ADOPTED BUDGET





Property Tax

Property taxes payable in 2000 were determined under a system first used in 1989. The calculation of a parcel's tax begins with the Assessor's determination of its estimated market value. This is defined as the usual selling price of the property that would be obtained at private sale.

The taxable value of property is calculated as a percentage of the estimated market value. This taxable value is known as **net tax capacity**. Net tax capacity equals estimated market value multiplied by a given percentage for the particular classification of property. The percentage used varies with the type of property and its value. In the case of residential homestead property, for example, the 2000 net tax capacity percentages and applicable market values are shown in the following table:

	Percentage
2000 Estimated Market Value	Net Tax Capacity
First \$76,000	1.00%
Over \$76,000	1.65%

Tax rates that are applied to the net tax capacity are determined each year by the various taxing jurisdictions. They are determined by dividing each jurisdiction's amount to be raised through taxes by the total value of taxable property (total net tax capacity) within the jurisdiction.

Net tax capacity rates result from the relationship of tax amount needed and total net tax capacity. The results are expressed as a percentage. Prior to 1989, they were expressed as mill rates. For Minneapolis, the net tax capacity rates applicable to residential homestead taxes payable in 2000 are as follows:

2000 TAXING JURISDICTION NET TAX CAPACITY RATES

City of Minneapolis	43.679%
School District #1	57.159%
Hennepin County	35.705%
Other (including Public Housing)	7.979%
Total	144.522%

The description given above as applied to a homesteaded residential example would result in the following generation of total property tax on a \$81,000 Minneapolis residence:

Estimated Market Value:	\$81,000
Net Tax Capacity:	
1.0% of first \$76,000	
1.65% of remaining \$5,000	

Tax:
144.522% of \$843

The property tax refund system provides possible relief for homeowners and renters, determined by a formula that includes the amount of property tax due and income of the taxpayer. If eligible, the taxpayer receives a money refund during the last quarter of the year.

For the City of Minneapolis, the total tax payable in 2000 (the total tax levy) is \$153,438,129. It will be distributed among jurisdictions approximately as follows:

City of Minneapolis	28%
School District #1:	43%
Hennepin County	24%
Other Districts & Public Housing	5%



Tax Increment Financing

Relative to taxes payable in 2000, the total increase in net tax capacity of the city's tax increment districts was estimated at \$47.24 million.

Tax increment financing (TIF) uses increases in property values and taxes attributed to redevelopment to pay for public redevelopment costs. Tax increment financing may be used to provide public funds for the redevelopment or rehabilitation of blighted or deteriorated areas of the city, the construction of low and moderate income housing, and for the promotion of economic development and employment opportunities in the city. In Minneapolis, the tax increment districts are administered by the Minneapolis Community Development Agency.

A tax increment financing district is created by City Council adoption of a plan for redevelopment and tax increment financing. The tax capacity of the property within the district is then determined according to the last equalized tax roll (with that year becoming the base year) and represents the original tax capacity of the tax increment district. Each of the taxing jurisdictions (city, county, school district and special taxing jurisdictions) continues to receive that share of the taxes collected on the tax capacity that represents the original tax capacity just as if the district had never been created and there had been no change in the valuation of the area.

The city may sell bonds or use available MCDA resources to clean up pollution, acquire property, relocate businesses and residents, preserve historic structures, demolish buildings, and prepare sites for redevelopment in tax increment districts. The assembled parcels of cleared land are sold to a private developer. When construction is complete and the new buildings are on the tax rolls, the tax increment district has a new, higher tax capacity (since it will have a higher market value, and tax capacity is based on a percentage of market value).

For tax increment districts established after April 30, 1990, the State of Minnesota reduces the amount of Local Government Aid (LGA) and Homestead and Agricultural Credit Aid (HACA) received by the city if a certain percentage of local funds are not used to finance the activities of the district. This reduction, phased in over the life of the district, is intended to offset any increased school aid payments made by the state as a result of the city's decision to use tax increment financing.

The incremental tax capacity is calculated each year for districts that are active. The net tax capacity increase, for all active projects, totaled \$47.24 million, relative to taxes payable in 2000, up from \$43.74 million in 1999.

The following active Minneapolis TIF districts are located, by number on an accompanying map. Modifications are not included in the listing. Note that the Housing Replacement District (number 42) involves multiple locations (parcels), and is not shown on the map.

TAX INCREMENT FINANCE DISTRICTS

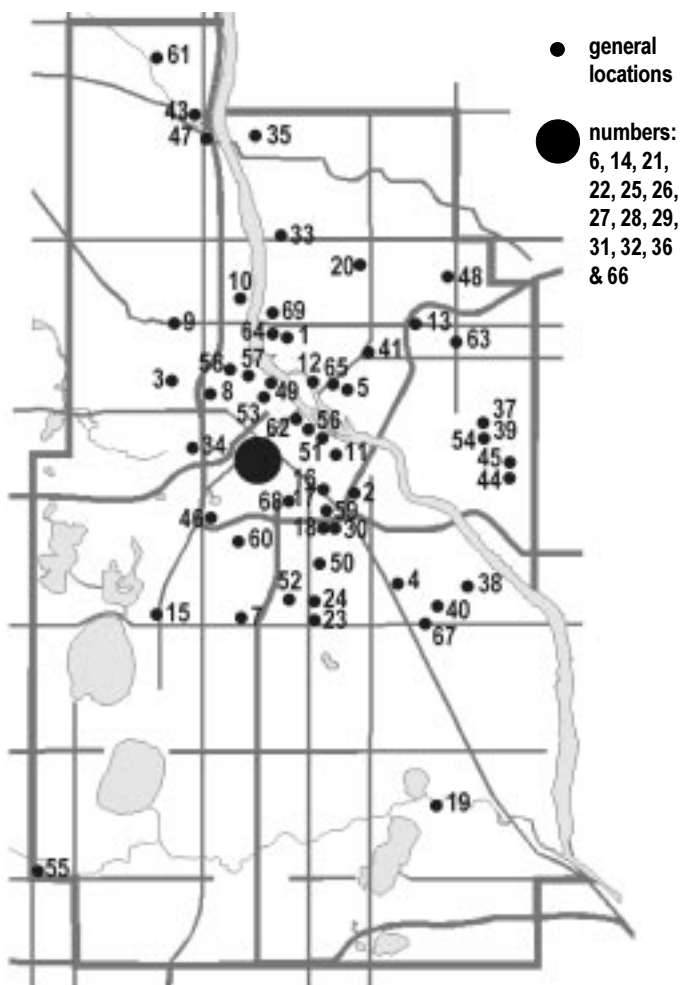
Active Districts	Base Year
1. St. Anthony West	1971
2. Cedar-Riverside	1971
3. Grant	1971
4. Seward South	1971
5. Holmes	1972
6. Loring Park	1972
7. Nicollet-Lake	1972
8. North Loop	1973
9. West Broadway	1973
10. North Washington Industrial Park	1973
11. Industry Square	1973
12. Nicollet Island-East Bank	1979
13. Broadway I-35	1977
14. City Center	1977
15. Hennepin-Lake	1979
16. Elliot Park #1	1980
17. Elliot Park #2	1981
18. Franklin Avenue	1980
19. Nokomis Homes	1981
20. 20th & Central	1982
21. One Ten Grant	1982
22. Convention Hotel/Retail	1985
23. Chicago-Lake (knocked down)	1985
24. 28th and Chicago	1985
25. Conservatory	1985
26. Laurel Village	1985
27. LaSalle Plaza	1985
28. NBA Arena	1986
29. IDS Data Service Center	1986
30. Block 33-Franklin Avenue	1986
31. Neiman Marcus	1988
32. Block E	1989
33. MILES I	1991
34. Housing for Chronic Alcoholics	1994
35. 36th & Marshall N.E.	1994
36. 9th & Hennepin	1995
37. S.E. Minneapolis Industrial Area (SEMI) Phase I	1995
38. United Van/Bus	1996
39. S.E. Minneapolis Industrial Area (SEMI) Phase II	1996
40. Deep Rock Economic Development	1996
41. Spring and Central	1996
42. Housing Replacement District	1996
43. Impact Mailing	1997
44. S.E. Minneapolis Industrial Area (SEMI) Phase III	1997
45. S.E. Minneapolis Industrial Area (SEMI) Phase IV	1997
46. Lowry Ridge	1997
47. Camden Medical Facility	1998
48. Rosacker Nursery Site	1998
49. Creamette	1998
50. Phillips Park	1998
51. West Side Milling District	1998
52. Portland Place	1999
53. Heritage Landing Housing District	1999
54. S.E. Minneapolis Industrial Area (SEMI) Phase V (Kasota Phase II)	1999
55. 50th and France	1999
56. Historic Milwaukee Depot Reuse	1999



TAX INCREMENT FINANCE DISTRICTS (CON'T)

Active Districts	Base Year
57. 2 nd Street North Hotel/Apts	2000
58. 10th & Washington	2000
59. East Village	2000
60. Nicollet-Franklin	2000
61. Humboldt Greenway	2000
62. Former Federal Reserve	2000
63. Stinson Technology Campus	2000
64. Graco Campus Expansion	2000
65. East Hennepin & University	2000
66. Hennepin & 7 th Entertainment	2000
67. 2700 East Lake	2000
68. Towers at Elliot Park	2000
69. Grain Belt Brew House	2000

TAX INCREMENT FINANCE DISTRICTS



Number 42 not shown (see text).

Minneapolis' total general obligation debt increased from \$969 million at 12/31/1999 to \$1.13 billion at 12/31/2000.

Management of the city's debt involves consideration not only of the absolute amount of debt, but also attention to yearly trends in the relationship of the debt to other financial measures.

Debt Trends

The accompanying chart shows a ten year history of the total debt level for years 1991 through 2000. The total includes general obligation debt, backed by the full faith and credit of the city, and non-general obligation debt, which currently includes only tax increment revenue bonds. The chart shows the gradual climb of general obligation debt and total debt from 1991-1995, a two year decrease in 1996 and 1997, and then another increase from 1997 - 2000.

The chart showing general obligation debt per capita suggests that on a per-person basis, that portion of general obligation debt supported by property taxes has not shown a consistent trend in either direction. The average of the 10 years shown on the chart is just under \$187.

The following information details the Year 2000 Bond Sales:

January

In January the city issued \$10,800,000 of General Obligation Parking Ramp Bonds for the 10th and Washington Parking Ramp.

February

In February the city issued \$2,960,000 of Taxable General Obligation Tax Increment Bonds for the West Side Milling District. This was the final issue of this \$5,600,000 project.

June

In June the city issued \$45,400,000 of General Obligation Various Purpose fixed rate bonds supporting the five year capital plan and also issued \$5,000,000 of General Obligation Tax Increment (TI) Bonds for completion of the WMEP/St. Thomas Parking Ramp and associated skyways.

The various purpose bonds were for construction activities as follows:

\$9,160,000	Water Works Projects
10,110,000	Flood Mitigation Projects
1,735,000	Park Improvements
8,369,000	Public Buildings
714,000	Bridges
254,000	Storm Drains
6,702,000	Street Improvements
700,000	Parkway Improvements
6,556,000	Information Technology Services
400,000	Park Board Diseased Trees
700,000	Combined Sewer Overflow

September

In September the city issued \$80,000,000 of General Obligation Convention Center Bonds for the Minneapolis Convention Center Expansion project and \$8,800,000 of General Obligation Judgement Bonds for the Kondirator settlement.

October

In October the city issued \$29,000,000 of General Obligation Block E Bonds to facilitate development of the Greater Hennepin Avenue Development District and the Hennepin and 7th Entertainment Tax Increment Financing District.

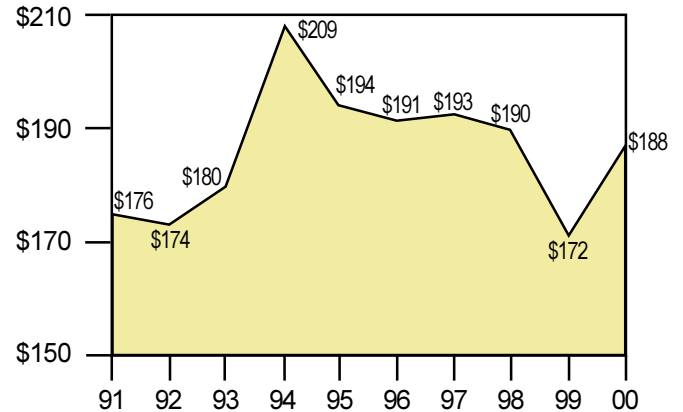
November

In November the city issued \$9,300,000 of Taxable General Obligation Tax Increment fixed rate bonds for the Historic Milwaukee Depot Reuse project. In addition, \$15,000,000 of Taxable General Obligation Tax Increment Bonds and \$46,225,000 of Tax-Exempt General Obligation Tax Increment fixed rate bonds were issued for the Target Development project at 900 Nicollet Mall. Of the \$61,225,000 issued, approximately \$21,240,000 was for completion of construction and the balance was used to retire temporary financing.

December

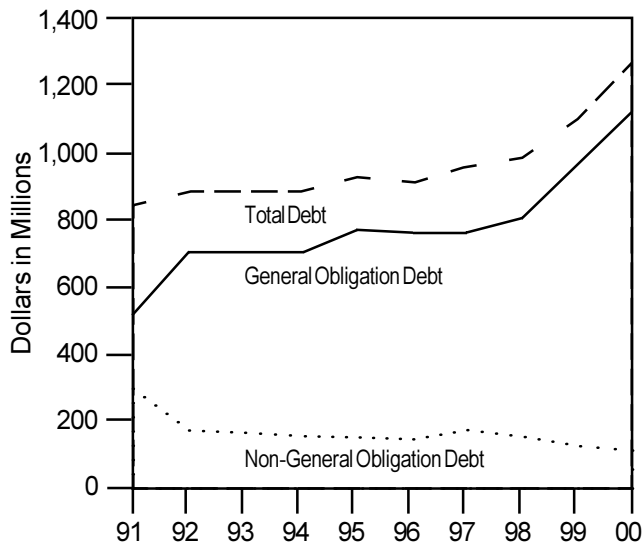
In December the city issued \$22,820,000 of General Obligation Various Purpose fixed rate bonds for Information Technology related issues. Of this amount, \$6,682,000 was for new projects and \$16,138,000 will be used to retire existing variable rate bonds.

PER CAPITA DEBT, IN DOLLARS*, 1991 - 2000



* Figures shown are adjusted indebtedness, which represents the total general obligation indebtedness of the city less that indebtedness supported by revenues other than general property taxes.

TOTAL DEBT, 1991 - 2000





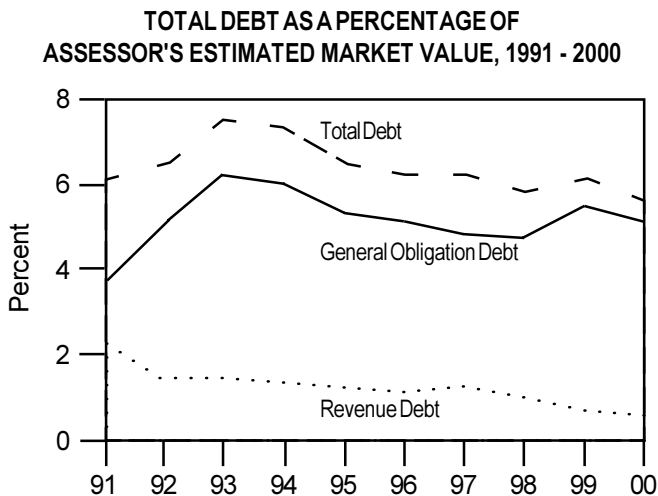
Debt Capacity - Total Debt

The ratio of total outstanding debt to the Minneapolis City Assessor's market value of taxable property decreased to an estimated 5.6 percent in 2000, from 6.2 percent the previous year.

The primary goal of the city's debt management is maintaining the city's ability to incur debt at minimal interest rates without endangering the city's ability to finance essential city services. The policy focuses on a revenue/debt ratio approach and calls for the city to closely monitor the absolute amounts and year-to-year trends of key financial ratios. The policy states that the city should limit the issuance of new bonded debt so as to make improvements in the key financial ratios over time.

The key management ratio used in monitoring total debt is total debt outstanding as a percent of estimated full market value of Minneapolis' taxable property.

The data shows that from 1991 through 1993, the total debt ratio increased each year. The increase in part reflected not only a yearly increase in total debt, but also the yearly decline in estimated full market valuation of the city, experienced in the early 90's. Subsequent to 1993, the ratio's general downward trend reflects both an increase in the estimated market value of the city's taxable property, and in some years, either a small increase or decline in total indebtedness. The 2000 total debt to market value ratio decreased slightly over 1999 due primarily to an increase in the market value of the city's taxable property.



Debt Capacity - Tax Supported Debt

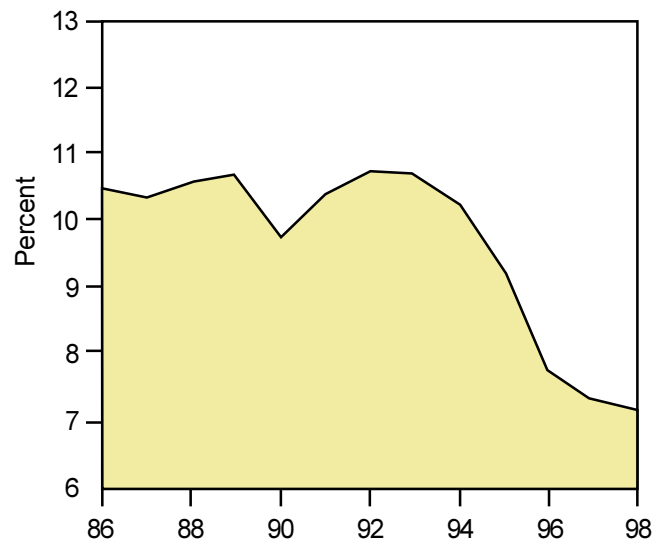
The percentage of discretionary revenues used in property tax supported debt service declined from its level of 12.15 percent in 1980, to a low of 7.19 percent in 1998. The percentage has varied within this time period but the general trend has been a decrease in the percentage of discretionary revenues used in property tax supported debt service. The estimated 1998 percentage is 7.19

As the city's discretionary revenue total changes, the amount of that revenue used for debt service on tax supported bonds should also vary. The proportion of such revenue that is dedicated to tax supported debt service must be maintained at a level that also allows adequate discretionary fund availability for financing essential city services while supporting an adequate capital infrastructure replacement program.

With respect to tax supported debt, the key management ratio is the percentage of discretionary revenue used for the city's total tax supported bond debt service. The policy calls for the city to limit the annual bond program so that property tax supported debt service levels, as a percent of discretionary revenue, remain equal to or less than current levels.

Data shown on the charts indicate that the property tax supported debt ratio has been within the management goal range over the past dozen years.

PERCENT OF DISCRETIONARY REVENUES USED TO SUPPORT DEBT SERVICE
(Key Ratio for Net Debt Management)



The preparation of this report was partly financed through a grant for the Community Planning and Management Program funded with Community Development Block Grant funds from the Department of Housing and Urban Development.

The computer generated maps in this year's report were supplied by the Minneapolis Public Works Department (Engineering Design and Traffic Engineering divisions), the Minneapolis Planning Department, and the Minneapolis Park Board.



Printed on recycled paper containing 50% waste paper, including 15% post-consumer waste.

Report Coordinator and Editor

Philip Meininger

Chapter Coordinators and Authors

Laura Lambert, Population
Daryl Stokesbary, Housing
Laura Lambert, Economic Development
Michael Orange, Physical Environment
Monique MacKenzie, Transportation
Amy Tibbs, Property Services
Julia Paulsen, Human Development
Laura Lambert, Health and Safety
Julia Paulsen, Government Management

Contributors

Amy Lucas
Lonnie Nichols
Janine Ryan
Thavisack Silaphet
Jerry Vandelac

Word Processing

Sue Jensen
Mary Murphy

Proofing

Pamela Sherman, Supervisor

Graphic Design

Robyn Adolphson-Huspek
Dan Jones, Supervisor